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No. 15-375

IN THE

Supreme Court of the United States

SUPAP KIRTSAENG, DBA BLUECHRISTINE99,

Petitioner,

v.

JOHN WILEY & SONS, INC.,

Respondent.

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

BRIEF OF PUBLIC KNOWLEDGE AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

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INTEREST OF *AMICUS CURIAE*

Public Knowledge[1] is a non-profit organization that is dedicated to preserving Internet openness and access to knowledge, promoting creativity through balanced intellectual property rights, and upholding and protecting the rights of consumers to use innovative technology lawfully. Public Knowledge advocates on behalf of the public interest for a balanced copyright system, particularly with respect to new and emerging technologies.

Public Knowledge has previously served as *amicus* in key copyright cases. *E.g.*, *Kirtsaeng v. John Wiley & Sons, Inc.*, 133 S. Ct. 1351 (2013); *Golan v. Holder*, 132 S. Ct. 873 (2012); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); *Eldred v. Ashcroft*, 537 U.S. 186 (2003).

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[1]Pursuant to Supreme Court Rule 37.3(a), blanket consents for the filing of *amicus curiae* briefs have been filed by both parties in this case. Pursuant to Rule 37.6, no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of the brief. No person or entity, other than *amicus*, its members, or its counsel, made a monetary contribution to the preparation or submission of this brief.

SUMMARY OF ARGUMENT

Much like the transactions between Petitioner Kirtsaeng and his textbook buyers, the copyright system is a bargain, a transaction between two arms-length parties: authors and the public. To encourage authors to create new works, the public gives to those authors a copyright monopoly on their creations. But crucially, the public demands its share of the bargain: numerous limitations on the scope of that monopoly right that guarantee to the public certain rights to use, access, and enjoy those created works. That bargain, that heavily limited monopoly conferred ultimately for the public's benefit, is the central and foundational principle of a copyright system designed "to promote the progress of science and useful arts."

But the Copyright Act does not define those numerous limitations on the monopoly with textbook precision. The central limitations of copyright—fair use, first sale, the idea-expression dichotomy—are statutorily defined with broad terms. The contours of copyright and its limits must be established case by case, by individual litigants willing to determine the scope of the whole public's rights in the course of seeking private vindication.

That is why the award of attorney fees is of such importance to copyright: it affects not just individual parties, but rather the whole public at large. There is a need to demarcate the contours of where copyright holders' rights end and where the public's privileges to use and access works begin, a need that is "peculiarly important" in this Court's words. There is a need to incentivize private parties to litigate copyright claims in courts, to establish that demarcation. And awards of attorney fees can provide that incentive. Thus, attorney fee awards can and should be used to encourage private parties to take up

the public task of establishing the boundaries of the copyright monopoly.

Indeed, key copyright decisions reveal how much substantive copyright law is made through the actions of small or individual litigants, ones who would most benefit from attorney fee awards. The record of cases is replete with documentarians, students, startup companies, nonprofit legal advocates, and even mothers who established and clarified the boundaries of copyright through their persistence in legal action. Attorney fee awards are precisely the tool to encourage these small players to bring big, definitional copyright cases.

And yet the courts who rendered the decisions on review here inexplicably take exactly the opposite tack, treating these public interest–favoring factors as weighing *against* attorney fee awards. The decisions of the district court and Court of Appeals do not merely conflict with the law of this Court, then: those decisions conflict with good public policy and the fundamental rationales of the Copyright Act itself. To allow those decisions to stand would undermine the copyright bargain and undermine the public's rights. This Court should reverse those decisions.

ARGUMENT

I. ATTORNEY FEE SHIFTING SHOULD BE APPLIED TO ADVANCE THE PUBLIC INTEREST IN CLARITY IN THE SCOPE OF COPYRIGHT

In determining whether to award attorney fees under 17 U.S.C. § 505, courts should look at least to whether the prevailing party's case has advanced the public interest in clarifying the boundaries of copyright law. It has long been recognized, even in the Constitution itself, that copyright must be a balanced bargain that advances the public's interest in creation of and access to new works. This requirement of balance means that the copyright monopoly is limited in many important ways.

Because a well-argued defense can clarify and define those limits, thus advancing the bargain of copyright and the public interest, cases such as *Fogerty v. Fantasy, Inc.* have approved the use of attorney fee awards to encourage such well-argued defenses. This Court should again recognize the value of the public interest and accordingly hold that § 505, properly read, is closely tied to the advancement of the public interest in any given case.

A. THE PUBLIC DEPENDS ON INDIVIDUAL LITIGANTS TO CLARIFY THE SCOPE OF THE COPYRIGHT MONOPOLY

There is a strong public interest in defining the scope of copyright protection, that is, the boundary between where copyright holders' interests end and where the public's privilege to access and use works begins. But that demarcation of the public's rights can only occur through the willingness of private litigants to bring cases and defenses that define those rights. Accordingly, there

is a need to encourage such private litigants to advance the public good of clarifying the contours of copyright.

The purpose of the copyright system is not merely to give profits to authors, but rather ultimately to benefit the public with creation and access to new works. The Constitution provides Congress with the power to authorize copyrights, but only toward an important end: "To promote the progress of science and useful arts." U.S. Const. art. I, § 8, cl. 8. This clause "was intended to limit Congress's intellectual property power." Dotan Oliar, *Making Sense of the Intellectual Property Clause*, 84 Geo. L.J. 1771, 1816 (2006).

Accordingly, this Court has regularly explained that copyright must ultimately benefit the public. "The sole interest of the United States and the primary object in conferring the monopoly lie in the general benefits derived by the public from the labors of authors." *United States v. Paramount Pictures, Inc.*, 334 U.S. 131, 158 (1948) (quoting *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932)). Similarly this Court has said that "copyright is intended to increase and not to impede the harvest of knowledge." *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 545 (1985); *see also* Jessica Litman, *Revising Copyright Law for the Information Age*, 75 Or. L. Rev. 19, 31 (1996) ("Copyright is said to be a bargain between the public and copyright holders.").

Because copyright must ultimately benefit the public, the scope of that right is necessarily limited. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984) (describing copyright as a "limited grant" and "limited period of exclusive control"). The duration of the right is a part of that limitation, but it is by no means the sole limitation: to ensure that the public maintains

access to created works, the copyright monopoly even during its subsistence is sharply limited by numerous doctrines. *See, e.g.*, 17 U.S.C. § 109(a) (first sale doctrine); 17 U.S.C. § 121(a) (copyright exceptions for accommodating blind and disabled persons); 17 U.S.C. § 108 (exceptions for libraries and archives); 17 U.S.C. § 117 (exceptions for copying computer programs in operation); 17 U.S.C. § 115 (compulsory licensing of certain phonorecords).

Indeed, some such limitations on copyright, specifically fair use and the idea-expression dichotomy, are so fundamental to the public interest that this Court has suggested that those limitations are constitutionally required. *See Golan*, 132 S. Ct. at 889–91; *Eldred*, 537 U.S. at 219–20. "Following *Golan* and *Eldred*," one commentator contends, "neither Congress nor the courts may eviscerate copyright law's idea/expression dichotomy or fair use privilege without running afoul of the First Amendment." Neil Weinstock Netanel, *First Amendment Constraints on Copyright After* Golan v. Holder, 60 UCLA L. Rev. 1082, 1086 (2013).

But while copyright is extensively limited in service of the public interest, the metes and bounds of those limitations are not always precisely defined. Doctrines such as fair use, the idea-expression dichotomy, and (relevant to this case) first sale are defined with broad-stroked statutory terms. Courts are thus left to define the contours of these limitations—the contours of where copyright ends and the public's privileges begin—through common law development by individual cases.

As a consequence, individual litigants are essential to mapping out the scope of the people's ability to use and enjoy creative works. Private actions can in this way work toward the public good.

Patent law, which shares a "historic kinship" with copyright, *Sony*, 464 U.S. at 440, has long recognized a parallel need to encourage private litigants to clarify the public's rights with respect to patents. Like limits on copyright law, invalidation of an improperly granted patent is a public good, as all people benefit from the elimination of a wrongful patent monopoly. *See, e.g., Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 100 (1993) (noting "the importance to the public at large of resolving questions of patent validity") (citing *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313 (1971)).

But action to invalidate a misgranted patent must generally be initiated by a private litigant. "Under our current system, litigation is the primary gatekeeper of patent quality." Megan M. La Belle, *Patent Litigation, Personal Jurisdiction, and the Public Good*, 18 Geo. Mason L. Rev. 43, 44 (2010). So given that the public good must be advanced by private litigants, this Court has sought to use the rules of patent law to promote this public good of patent invalidation.

Thus, *Lear, Inc. v. Adkins* opened the door to invalidity actions by patent licensees, in view of "the strong federal policy favoring the full and free use of ideas in the public domain." 395 U.S. 653, 674 (1969). *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation* gave judgments of invalidity issue-preclusive effect across all accused infringers. *See* 402 U.S. 313, 349–50 (1971). *MedImmune, Inc. v. Genentech, Inc.* relieved patent licensees of the need to abrogate their licenses before suing for declaratory judgments of invalidity. 549 U.S. 118, 777 (2007).

These cases all reveal a general principle in patent law that private actions ought to be encouraged when those

private actions serve a larger purpose of defining the scope of the public's rights. That same principle should apply in copyright, where defining the scope of the public's rights is equally important if not more so. This Court should seek ways to encourage private copyright litigants to take on this important task.

B. Attorney Fee Awards Are an Accepted and Important Incentive That Should Be Used to Bring About That Clarification

Attorney fee awards under § 505 are a recognized and important incentive to draw private actors to that task of clarifying the rights of the public. *Fogerty v. Fantasy, Inc.* and cases following therefrom have recognized the value of attorney fee awards in advancing this public interest. This Court should continue to recognize that value by requiring courts to consider under § 505 whether a prevailing party has advanced the task of clarifying the scope of the public's right to use copyrighted works.

Fogerty v. Fantasy, Inc., 510 U.S. 517 (1994), established this Court's view that attorney fee awards under § 505 ought to be used to encourage copyright defenses that clarify the scope of the public's rights. In that case, this Court considered the so-called "dual standard" by which prevailing plaintiffs would ordinarily receive attorney fees but prevailing defendants would only receive fees for frivolous or bad-faith suits. *See id.* at 521. Such a discriminatory standard was justified, said the copyright holder in that case, because a fee award to a copyright holder "encourages litigation of meritorious claims of copyright infringement." *Id.* at 525.

This Court rejected that argument and the dual standard as an improper "one-sided view of the purposes of

the Copyright Act." *Id.* at 526. Because "copyright law ultimately serves the purpose of enriching the general public through access to creative works," this Court held that "it is *peculiarly important* that the boundaries of copyright law be demarcated as clearly as possible." *Id.* at 527 (emphasis added).

And specifically, *Fogerty* went on to hold that attorney fee awards were the right way to encourage that "peculiarly important" task. "To that end, defendants who seek to advance a variety of meritorious copyright defenses should be encouraged to litigate them" just as much as copyright plaintiffs. *Id.* This Court observed how defeating an improper copyright claim "could, as a result, lead to further creative pieces" being authored, an effect that "may further the policies of the Copyright Act every bit as much as a successful prosecution of an infringement claim by the holder of a copyright." *Id.* *Fogerty* thus specifically tied the statutory attorney fee provision of § 505 to the overarching desire to demarcate the public's rights with respect to copyrighted works.

Cases following *Fogerty* have also recognized the appropriateness of fee awards where a defense successfully defined the scope of the public's rights. *Assessment Technologies of WI, LLC v. WIREdata, Inc.* involved an unsuccessful copyright infringement claim over a factual database. *See* 361 F.3d 434, 435 (7th Cir. 2004) (Posner, J.). In determining whether to award fees under § 505, the Seventh Circuit specifically noted how the defense of the suit advanced the public interest. As the court described the case, the defendant was one who sought "to obtain nonexclusive access to the intellectual public domain. The public interest in that access is as great as the public interest in the enforcement of copyright." *Id.* at

436. In view of the defendant's effort in preventing the plaintiff's attempt "to annex a portion of the intellectual public domain," the Seventh Circuit found that "an award of attorneys' fees to the defendant is an appropriate sanction." *Id.* at 437.

Other courts have agreed. In *Video-Cinema Films, Inc. v. Cable News Network, Inc.*, the court awarded fees partly "to deter future copyright owners from using the threat of litigation to chill other fair uses. To hold otherwise would diminish any incentive for defendants to incur the often hefty costs of litigation to defend the fair use doctrine." No. 98-cv-7128, 2003 WL 1701904, at *5 (S.D.N.Y. Mar. 31, 2003).[2] *Stern v. Does* awarded fees to discourage lawsuits that "have a chilling effect on creativity insofar as they discourage the fair use of existing works in the creation of new ones." 978 F Supp. 2d 1031, 1052 (C.D. Cal. 2011).

The desire to encourage clarification of copyright does not mean that attorney fees should be awarded as a matter of course when a difficult issue of copyright law is resolved. Rather, a fee award is appropriate where a party successfully pursues a novel and unexpected theory of copyright doctrine that clarifies the scope of the public's rights. In the present case, for example, Kirtsaeng successfully developed and argued a novel interpretation of the first sale doctrine, making an attorney fee award more appropriate. But in a counterfactual world where Wiley won on the first sale issue, Wiley would not merit attorney fees by reason of successfully narrowing

[2]Nevertheless, the court also relied on the Second Circuit's mistaken view that "objective unreasonableness is a significant factor and should be given substantial weight." *See id.* at *1 (citing *Matthew Bender & Co. v. W. Publ'g Co.*, 240 F.3d 116, 122 (2d Cir. 2001)).

the first sale doctrine. Such a result merely would have maintained the status quo based on the leading appellate precedent at the time. *See Omega S.A. v. Costco Wholesale Corp.*, 541 F.3d 982, 990 (9th Cir. 2008).[3] While a novel theory of infringement might serve that "peculiarly important" task of establishing the bounds of copyright, a mine-run response to a novel defense does not.

Accordingly, this Court and others have recognized that attorney fee awards are an effective, appropriate, and necessary tool for encouraging private litigants to raise defenses and arguments that define the scope of the public's rights and thereby advance the public interest. The same result should obtain in the present case. This Court should ensure that the district and appellate courts, in deciding whether to award fees under § 505, strongly consider whether the prevailing party advanced the important task of clarifying the scope of copyright.

II. THE FREQUENCY WITH WHICH SMALL DEFENDANTS RAISE VALUABLE DEFENSES SPEAKS TO THE NEED FOR INCENTIVES LIKE ATTORNEY FEE AWARDS

Copyright jurisprudence must continually recalibrate generations-old statutes and policies to innovative technologies and novel artistic and socially-beneficial uses. Many of the most complex and advanced defenses, which

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[3]Further of note, a repeat copyright player such as Wiley does not require the same sorts of incentives to litigate the boundaries of copyright law as an individual such as Kirtsaeng requires. And in any event, the interest in advancing meritorious causes must be "balance[d] against the potentially chilling effect of imposing a large fee award." *Lotus Dev. Corp. v. Borland Int'l Inc.*, 140 F.3d 70, 75 (1st Cir. 1998).

worked to increase ultimately the scope of the public's rights, have been brought by individual artists, mothers, college students (such as petitioner Kirtsaeng), and others. And too often start-ups and small businesses bet their companies' survival on whether courts share their perspectives on what constitutes fair or noninfringing use. For these litigants, victory entails dedication of significant resources and expense, including the costs of discovery, retention of experts, and attorney fees, that they simply do not have and can hardly afford.

The number of valuable copyright defenses brought by small defendants speaks to the importance of encouraging such defenses through tools such as attorney fee awards. The touchstone for the award is not primarily whether fees encourage litigation, but rather whether the litigation has promoted the goals of copyright. As the Ninth Circuit observed, under § 505 "the question is whether a successful *defense* of the action furthered the purposes of the Act, not whether a *fee award* would do so." *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 816 (9th Cir. 2003) (citing *Fogerty*, 510 U.S. at 527).

In the cases described below, litigants in tough cases have meaningfully furthered the purposes of copyright law, such as by expanding fair use, adding to the public domain, defining copyrightability, or preserving public interests. They illustrate how individuals, smaller companies, and upstart competitors change the course of copyright for the better, for which an award of full costs would be consistent with the purposes of § 505.

1. *Documentary Filmmakers.* To educate, entertain, inform, and challenge preconceived notions of historical or cultural facts, documentarians rely on pre-existing media to place each subject within its underlying con-

text. Documentary works thus depend largely upon a clear delineation of copyright: is material in the public domain; does a particular use qualify as "fair use" under 17 U.S.C. § 107, or must a work must be licensed; or whether some work-around must substitute for copyrighted material that is simply too expensive.

Filmmaker Jennifer Nelson set out to make a documentary about the song "Happy Birthday to You." When faced with an unjustified demand for license fees, she turned her frustration into a class action lawsuit. *See, e.g.*, Christine Mai-Duc, *Filmmaker Picks a Fight with a Corporate Giant and Sets "Happy Birthday" Free*, L.A. Times (Sept. 23, 2015), URL *supra* p. vi; *Marya v. Warner/Chappell Music, Inc.*, No. 2:13-cv-4460, 2015 WL 5568497, at *19 (C.D. Cal. Sept. 22, 2015) (granting summary judgment that defendants did not own copyright to "Happy Birthday to You"). Because of this suit, the rightful owners of the copyright obtained a favorable monetary settlement for their foundation, and released the song to the public domain. Eriq Gardner, *Warner Music Pays $14 Million to End "Happy Birthday" Copyright Lawsuit*, Hollywood Rep. (Feb. 9, 2016), URL *supra* p. vi.

The rare artist has the temerity to defy license fee demands that for decades had been unchallenged, to file suit to define the scope of fair use, and ultimately to place into the public domain what previously, unjustly, had been a copyright cash cow. Far fewer have the wherewithal (or, as here, a certifiable class of plaintiffs).

2. *User-Generated Content.* In the recent "Dancing Baby" case, *Lenz v. Universal Music Corp.*, 801 F.3d 1126 (9th Cir. 2015),[4] a young mother posted to the website

[4]For the relevant video, see Stephanie Lenz, *"Let's Go Crazy" #1*, YouTube (Feb. 7, 2007), URL *supra* p. vi.

Youtube a video of her children dancing to 27 barely audible seconds of a famous Prince song. The video was met initially with delight by hundreds of thousands of viewers, and then was met with a "take-down" notice under 17 U.S.C. § 512 alleging infringement by the copyright owner Universal Music. *See id.* at 1130.

On appeal by Lenz's pro bono counsel, the Ninth Circuit held that § 512 requires copyright holders to consider the applicability of fair use, and to have a subjective good faith belief that the use was not authorized by law, before sending a take-down notice. *See id.* at 1131–33. In this case, pro bono representation for an individual litigant established an important precedent, affecting millions of ordinary consumers that create content for public enjoyment and information.

3. *Access to Public Domain Data.* In *Assessment Technologies of WI*, the court held that the owner of a copyrightable database program could not use copyright to lock up access to raw data describing real estate properties, and after remand upheld an attorney fees award to the defendant. *See* 361 F.3d at 435. The suit was not frivolous, objectively unreasonable, or a misuse. *See id.* at 437. Yet, the prospect of a fee award gave the defendant incentive to take on a difficult non-remunerative case:

> The point is only that when a meritorious claim or defense is not lucrative, an award of attorneys' fees may be necessary to enable the party possessing the meritorious claim or defense to press it to a successful conclusion rather than surrender it because the cost of vindication exceeds the private benefit to the party. The best illustration is in fact a case like this, where the party awarded the

> fees, being the defendant, could not obtain an award of damages from which to pay his lawyer no matter how costly it was for him to defend against the suit.

Id.

4. *Defining the Scope of Copyrightability.* One of the most challenging areas in copyright has been the application to software programs of traditional principles affecting copyrightability and infringement—for example, 17 U.S.C. § 102(b) limitations on copyrightability, the idea/expression dichotomy and merger doctrine, substantial similarity to the "look and feel" of software, and "*scenes a faire.*" In its recent Notice of Inquiry to study how these doctrines might apply to software that enables the functional operation of consumer products, the Copyright Office cited numerous cases in which courts delineated modes of analysis relevant to copyright and software. *See* Software-Enabled Consumer Products Study, 80 Fed. Reg. 77668, 77670 (Copyright Office Dec. 15, 2015). In several of these cases, defendants expanded the law while facing potentially severe damages for copyright infringement. *See Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1527–28 (9th Cir. 1992) (establishing that disassembly of computer program is fair use); *Sony Computer Entm't, Inc. v. Connectix Corp.*, 203 F.3d 596, 608 (9th Cir. 2000) (establishing reverse engineering as fair use).

In one of these cases, the plaintiff alleged direct infringement by literal copying of a software program; the defendant (a small business) prevailed on complex legal defenses that helped define how these doctrines applied to software that controls product functions. *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 387 F.3d 522, 543–44 (6th Cir. 2004) (deeming computer lock-out

codes not copyrightable); *id.* at 549–50 (determining that DMCA protection does not apply to printer computer programs). The defendant could not be subject to either statutory damages or attorney fees, and faced minimal risk of actual damages; nonetheless, the defendant pressed forward in the district court to a determination that the software was not protectable. *See Static Control Components, Inc. v. Lexmark Int'l, Inc.*, Nos. 5:02-cv-571, 5:04-cv-84, 2007 WL 1485770, at *6 (Apr. 18, 2007).

5. *Deterring Misconduct and Misuse.* Over the last few years, copyright "trolls"—entities formed solely to profit from rather than to deter infringement—have filed more than 40% of new copyright cases in the district courts. *See* Matthew Sag, *Copyright Trolling, An Empirical Study*, 100 Iowa L. Rev. 1105, 1109 (2015). Having no interest in protecting or licensing copyrighted works, their business model is to sue without prior warning, and exploit the threat of statutory damages to extract windfall settlements. *See* Ben Depoorter & Robert Kirk Waller, *Copyright False Positives*, 89 Notre Dame L. Rev. 319, 344–45 & n.170 (2013).

A defense mounted by public interest organizations, acting pro bono, stemmed the tide of suits by one of the most notorious drive-by plaintiffs, meriting awards of sanctions and attorney fees. *See Righthaven LLC v. Democratic Underground, LLC*, 791 F. Supp. 2d 968, 978–79 (D. Nev. 2011); *Righthaven LLC v. Wolf*, 813 F Supp. 2d 1265, 1273 (D. Colo. 2011); Brad Greenberg, *Copyright Trolls and Presumptively Fair Uses*, 85 U. Colo. L. Rev. 54, 69 & nn.81–82 (2014).

Fees have also been awarded where a defendant establishes that a copyright plaintiff's case was motivated by purposes outside of copyright law. In *Omega SA v.*

Costco Wholesale Corp., on remand from a split decision of this Court, the Ninth Circuit affirmed that Omega had affixed a "barely perceptible" copyrighted design on the back of its watches *not* to disseminate creative works to the public, but solely to exert control against gray market importation. 776 F.3d 692, 696 (9th Cir. 2015). Holding that copyright law "neither condoned nor protected" Omega's actions, the court upheld a fee award to further the purpose of the Copyright Act.

6. *Promoting the Public Interest in Free Speech.* Fee awards similarly have been granted where a small provider of access to Internet newsgroups defeated what the court described as a "serious threat" to public access to free expression, even though the plaintiff's claims were neither frivolous nor objectively unreasonable. *See Perfect 10, Inc. v. Giganews, Inc.*, No. 11-cv-7098, 2015 WL 1746484, at *7 (C.D. Cal. Mar. 24, 2015).

7. *Promoting Lawful Competition.* Where copyright litigation is aimed at stifling competition in the copyrighted works of others, courts have not hesitated to award attorney fees. For example, the Ninth Circuit upheld an award to a competing toy manufacturer, where "failure to vigorously defend could have ushered in a new era of copyright litigation aimed not at promoting expression but at stifling the 'competition' upon which America thrives." *Mattel, Inc. v. MGA Entm't, Inc.*, 705 F.3d 1108, 1111 (9th Cir. 2013).

* * *

Some of the above illustrative cases were won by counsel proceeding pro bono. Other victories were achieved by individual artists or small businesses. But each case, as in *Kirtsaeng*, contributed meaningful precedents to the corpus of copyright law. That individuals, small com-

panies, and pro bono attorneys bore the brunt of establishing those precedents demonstrates, as *Fogerty* anticipated, how incentives like attorney fee awards under § 505 are essential to that "peculiarly important" task of clarifying the law.

III. The Second Circuit's Approach to Section 505 Ignores These Important Public Principles

Despite the recognized importance of using attorney fee awards to promoting the public interest and protecting small defendants, the Second Circuit's fee shifting standard fails on both of these counts. In particular, courts in the circuit fail to account properly for fair use defenses and pro bono counsel in evaluating § 505 awards demonstrates its failure to apply that statute in view of the public interest considerations central to copyright.

1. With regard to fair use defenses: the Second Circuit, indefensibly, denied an award of fees to an "appropriation" artist *precisely because* his work pushes the envelope of copyright law. *Blanch v. Koons*, 485 F Supp. 2d 516, 518 (S.D.N.Y. 2007). Both the Second Circuit and the district court recognized that the artist, by defending against copyright infringement, "inherently raises difficult questions about the proper scope of copyright protection and the fair-use doctrine." *Blanch v. Koons*, 467 F.3d 244, 263 (2d Cir. 2006) (Katzmann, J., concurring), *quoted in Blanch*, 485 F Supp. 2d at 518. Indeed, the Second Circuit agreed specifically that the goals of copyright law "would be better served by allowing" the artist's derivations as fair uses. *Id.* at 259.

Such an advancement of copyright law might seem like a straightforward case for attorney fees under § 505,

but the district court did exactly the reverse, *denying* fees precisely because the artist had made such reliance on fair use. The court theorized that artists who push the copyright envelope should "expect that their work may attract lawsuits," and therefore "must accept the risks of defense, including the time, effort, and expenses involved." *Blanch*, 485 F Supp. 2d at 518.

Artists may or may not deserve an award of fees in a particular case, but any notion that fees should be denied to a category of litigants *because* their work depends on the proper interpretation of copyright law turns *Fogerty* on its head. It runs antithetical to the language and purpose of § 505.

This skewed attorney fee approach recurred in the landmark fair use case *Authors Guild, Inc. v. HathiTrust*. The district court endorsed as fair use certain practices by university and nonprofit libraries relating to digitizing works for searchability and making accessible versions for disabled patrons. 902 F Supp. 2d 445, 464–65 (S.D.N.Y. 2012), *aff'd*, 755 F.3d 87 (2d Cir. 2014). The court observed that the "goal of promoting the Progress of Science would be better served" by permitting the defendant's claimed fair use, which the district further described as an "invaluable contribution to the progress of science and cultivation of the arts." *Id.* at 464.

Even so, the district court denied the defendants' request for attorney fees. Downplaying its own observations about the valuable precedent established by the defendants, the court instead credited both "plaintiffs and defendants together who by their advocacy helped delineate the respective rights of creators and users." *Authors Guild, Inc. v. HathiTrust*, No. 11-cv-6351, 2013 WL 603193, at *1 (S.D.N.Y. Feb. 15, 2013). Such a princi-

ple, taken to its logical end, would deny attorney fees in *every* case argued by both sides, rendering § 505 a nullity. More importantly, it ignores the significant advances to the public interest, especially for archival libraries and disabled persons, that the *HathiTrust* defendants alone brought about by their pursuit of the fair use defense.

Other courts, by contrast, have applied more appropriate reasoning when considering fee awards in cases where defendants make fair use of existing images and objects as aesthetic observation and cultural commentary. *See, e.g.*, *SOFA Entm't, Inc. v. Dodger Prods.*, 709 F.3d 1273, 1280–81 (9th Cir. 2013) (granting fees to avoid a "chilling effect on creativity" and not to "discourage the fair use of existing works in the creation of new ones"). This direct consideration of the effect of a successful fair use defense sharply contrasts with the Second Circuit's erroneous analysis.

2. Furthermore, the Second Circuit's view that attorney fees are more properly denied when counsel is pro bono underscores the degree to which the Second Circuit doctrine has strayed from the proper office of § 505. In denying fees to Kirtsaeng, the district court in the present case reasoned that "the novelty and potential importance of his case attracted offers of *pro bono* representation," meaning that Kirtsaeng "was not threatened by high litigation costs." *John Wiley & Sons, Inc. v. Kirtsaeng* ("*Kirtsaeng I*"), No. 08-cv-7834, 2013 WL 6722887, at *5 (S.D.N.Y. Dec. 20, 2013) (Pet. Cert. 19a–20a). While the Second Circuit "respectfully question[ed]" this analysis, the appellate court neither rejected it nor reversed on that basis. *John Wiley & Sons, Inc. v. Kirtsaeng*, 605 F App'x 48, 50 n.2 (2d Cir. 2015) (Pet. Cert. 5a n.2).

This Court should outright reject this flawed and dangerous proposition of the district court. Fees should not be denied either because counsel proceeded pro bono, or on the assumption that a prevailing defendant, following years under an improvidently-issued injunction, could restart its business. *Cf. Kirtsaeng I*, 2013 WL 6722887, at *4 (Pet. Cert. 16a). By that same perverse logic, fees never should be awarded where a copyright owner can afford to pay counsel and stanched its losses. Neither result advances the Copyright Act, and neither should be followed.

Particularly where recovery is small or nil, and the stakes for the public interest are high, a potential award of fees encourages counsel to take on a copyright Goliath pro bono; whereas a denial of fees dissuades counsel from pursuing meritorious cases where a principled David might otherwise stand his ground. Surely the purposes of copyright are buoyed by decisions that advance the law and the public interest, regardless of whether the prevailing party can afford to pay as they go. Just as *Fogerty* demands evenhanded treatment of defendants and plaintiffs, it demands the same impartial discretion regardless of whether representation is provided on an hourly, contingent, or pro bono basis.

These considerations demonstrate the refusal of Second Circuit courts to account for the public interest in assessing whether to grant fee awards under § 505. That refusal fails the principles of *Fogerty* and the principles of good public policy. This Court should reverse the Court of Appeals and instantiate the correct test for attorney fee awards under § 505, consistent with the principles outlined in this brief.

CONCLUSION

For the foregoing reasons, this Court should reverse the judgment of the Court of Appeals and remand for further proceedings.

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